



## BACK TO BASICS: FY2014 BUDGET

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The Republican Study Committee's budget is based upon the following common-sense principles:

-  The budget should strengthen Medicare, Medicaid, and Social Security to ensure their long-term sustainability.
  - ✓ Our proposal makes common-sense reforms to strengthen Medicare and Medicaid by offering increased choices and improved services, and protects Social Security by strengthening the program's trust fund.
-  The budget should balance in ten years or less without raising any taxes.
  - ✓ Our proposal balances in four years while limiting baseline average revenue to 18.5 percent of GDP, near its historical average.
-  The budget should reduce spending and make the federal government more effective and efficient.
  - ✓ Our proposal cuts agency spending below FY 2008 levels, freezes it there for four years, and gets government out of the way so America's businesses have the ability to grow and create jobs.
-  The budget should terminate federal programs that are unconstitutional, duplicative, or harmful.
  - ✓ Our proposal forces the federal government to prioritize, something American families across the country have been required to do in these tough economic times.
-  The budget should implement reforms to Washington's broken budget process.
  - ✓ Our proposal prohibits earmarks and forces tough choices to give hard-working taxpayers the accountability and transparency they deserve from their federal government.
-  The budget should keep taxes low and include pro-growth tax reform.
  - ✓ Our proposal rejects President Obama's \$600 billion-plus tax hike on families and small businesses and institutes pro-growth tax reform that will create jobs.
-  The budget should repeal President Obama's job-killing healthcare law.
  - ✓ Our proposal repeals the entirety of ObamaCare (including all ObamaCare tax provisions), eliminating the government intrusion into healthcare, stopping the law's conscience-infringing mandates, restoring choice to patients and families, and returning flexibility to the states.
-  The budget should preserve and expand successful welfare reforms.
  - ✓ Our proposal requires preservation of work requirements for the Temporary Assistance for Needy Families (TANF) program and added state flexibility for the Supplemental Nutrition Assistance Program (SNAP).

Specifically, this proposal sets the following common-sense policies.

### REDUCE SPENDING.

- Repeal ObamaCare to eliminate \$1.2 trillion in additional spending over ten years.
- Set discretionary spending at \$950 billion in FY 2014 (rolling spending back below FY 2008 levels).
- Ensure our nation's security by funding defense at the same level as the House Republican budget, growing from \$552 billion in FY2014 to \$678 billion in FY2023.
- Reduce non-defense discretionary spending from \$398 billion in 2014 to \$392 billion in 2023.

## SAVE MEDICARE.

- The RSC believes that Medicare should transition to a solvent premium-support system, as proposed by the House Republican Budget, which saves Medicare from bankruptcy and provides competition, choice, and quality care for seniors. The RSC implements this reform in 2019. This reform would have no impact on individuals 60 and older.
- In order to shore up Medicare's solvency and to keep pace with increases in longevity, the RSC proposal slowly phases in an increase in the Medicare eligibility age for those born in 1959 and after. This reform would have no impact on individuals 55 and older.

## REFORM MEDICAID.

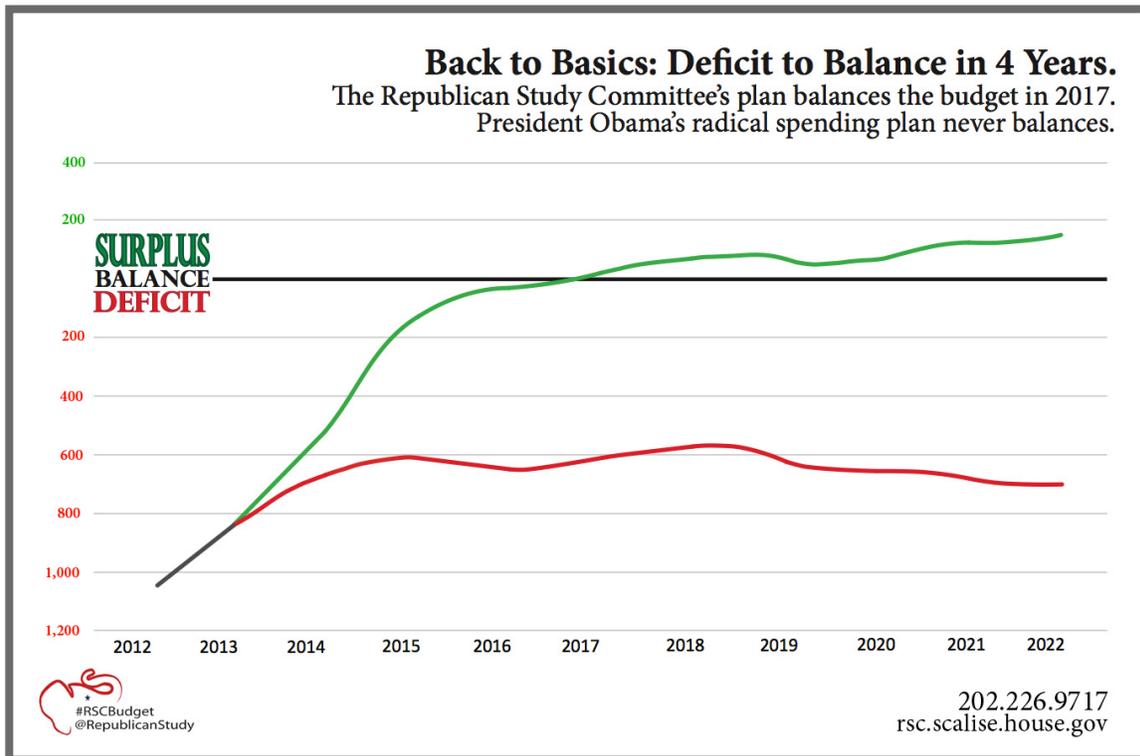
- This budget empowers the states with maximum flexibility to determine the Medicaid eligibility and benefits, thereby improving the quality of care and access to vital services for the neediest and most vulnerable Americans. Based on the model set by the successful welfare reforms of 1996, federal funding for Medicaid and the Children's Health Insurance Program (CHIP) will be guaranteed at current levels for the next ten years. This proposal is modeled on the RSC's State Health Flexibility Act of 2013 (H.R. 567).

## SAFEGAURD SOCIAL SECURITY.

- This budget would slowly phase in an increase in the Social Security full-retirement age for individuals born in 1962 (currently 51) and after to an eventual full-retirement age of 70.
- To further strengthen Social Security's long-term finances, this budget would change the formula for cost of living adjustments (COLA) by adopting a more accurate measure of inflation (chained CPI-U) that takes into account real-world choices consumers make.

## ENACT PRO-GROWTH TAX REFORM.

- This budget proposes a smarter tax code that is simpler, flatter, and fairer in line with the RSC's Jobs Through Growth Act of 2012.



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